

[President Obama Announces HAMP – 2/09](#) : “And this [HAMP] will enable as many as 3 to 4 million homeowners to modify the terms of their mortgages to avoid foreclosure.”

**WASHINGTON D.C.** – The Special Inspector General for the Troubled Asset Relief Program (SIGTARP) will be releasing a report on Thursday prior to testifying before the House Committee on Oversight and Government Reform that examined the implementation of the \$75 billion Home Affordable Modification Program (HAMP), the most active and highest profile of the Obama Administration’s foreclosure mitigation programs. Last month, House Oversight and Government Reform Committee Ranking Member Darrell Issa (R-CA) and Domestic Policy Subcommittee Ranking Member Jim Jordan (R-OH) [released a report](#) highlighting HAMP’s shortcomings.

“There’s a real problem with Treasury officials running this program who appear more concerned about creating a false image of success than actually helping troubled homeowners,” Issa said regarding the new SIGTARP Report. “As long as the Administration continues to sidestep the larger issues such as job creation and how they intend to deal with Fannie Mae and Freddie Mac, subsequent misadventures into the mortgage market will continue to be an exercise in good money after bad.”

**SIGTARP Report Found That:**

Ø “Treasury has stated its 3 to 4 million homeowner goal is not tied to how many homeowners actually receive sustainable relief and avoid foreclosure, but rather that 3 to 4 million homeowners will receive *offers* for a trial modification. **Measuring trial modification offers, or even actual trial modifications, for that matter, is simply not particularly meaningful** ...Transparency and accountability demand that Treasury establish goals that are meaningful and that it report its progress in meeting such meaningful goals on a monthly basis. Continuing to frame HAMP’s success around the number of ‘offers’ extended is **simply not sufficient.**”

Ø “A year into the program, although more than a million trial modifications have been initiated, the number of permanent modifications thus far, 168,708, has been, even according to Treasury, ‘disappointing.’”

Ø One Treasury official’s current estimate for how many permanent modifications will result from HAMP – 1.5 to 2 million over the course of the four-year program – **may be only a small fraction** of the total number of foreclosures that will occur during that period. It is the current projected estimate of permanent modifications (and not Treasury’s still repeated 3 to 4 million figure) that should inform the debate on whether HAMP is worth the resources being expended or whether the **program needs to be re-vamped** to actually help more borrowers.”

Ø “Treasury has been less than consistent about how it has justified the program’s costs or defined what success in the program would mean...Treasury has conceded that its use of

language in describing HAMP's participation goals has been 'confusing' and that it has not been 'crisp' in defining its goals..."

Ø "Conversions from trial modifications to permanent modifications have been slow thus far: only 15 percent or 168,708 mortgages of the total 1,094,064 trial modifications started are still active permanent status...unfortunately, a Treasury official has indicated that even this modest pace of permanent modifications will not be sustainable and that the number of cancellations will likely increase."

"The left, right, and non-partisan watchdogs are all sounding the alarm that the Administration's efforts to help troubled homeowners are misguided and ineffective," Issa added. "Sadly, most Americans seeking long-term help through HAMP to keep them in their homes will never qualify for permanent modifications and will actually be harmed for trying."

Approximately 2.8 million homeowners received foreclosure filings in 2009, and millions more are expected in 2010.

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